Canadian Dairy Commission

News Release

From the Office of the Canadian Dairy Commission

[Press release]

T-23
For Immediate Release
N

Subject: DAIRY POLICY STATEMENT

OTTAWA, March 31, 1969 -- The support price on butter, effective April 1, will continue at the present level of 65¢ per pound for butter grading 40 score, the Canadian Dairy Commission announced today.

The support price on spray processed skim milk powder will also remain at the present level of 20¢ per pound for powder meeting Commission quality specifications.

The support price on white cheddar cheese manufactured in April, 1969, will be 44¢ per pound, the same as in April, 1968. The support price on cheese made on and after May 1 will be announced later.

The rate of subsidy payment, as announced today by the Minister of Agriculture, will be $1.25 per hundred pounds of milk, or 35.71¢ per pound butterfat. To finance the cost of surplus disposal the Commission will hold back from subsidy payments an average of 29¢ per hundred pounds on milk deliveries. There will be a differential rate of holdback on deliveries up to quota and on those in excess of quota. For deliveries up to quota the rate will be 26¢ per hundred pounds of milk (7.43¢ per pound butterfat). On deliveries in excess of quota the rate will be 52¢ per hundred pounds of milk (14.86¢ per pound butterfat).

The rate of holdback from cream shippers will continue at the present level of 1¢ per pound of butterfat, but the rate of holdback on both milk and cream will be subject to adjustment if the recent trend of increasing supplies of butterfat continues.

The Commission stated that it will not be able to increase the subsidy quotas of present quota holders, or to provide quotas to those who do not now hold one, except by reallocation on the purchase of the dairy herd of an existing quota holder who is discontinuing dairying.

The present provision that quota reallocation to a new shipper must be for a minimum of 100,000 pounds of milk (3,500 pounds butterfat), will continue with respect to milk shippers. There will be a lower minimum, to be announced later, for cream shippers.

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From the Office of the Canadian Dairy Commission

[Press release]

T-24
For Immediate Release
N

SELECTED DAIRY STATISTICS

1. Canadian Dairy Herd
2. Milk Utilization
3. Creamery Butter
4. Butter by Provinces
5. Skim Milk Powder
6. Cheese Production
7. Cheese: Exports/Imports

Canadian Dairy Commission
March 31, 1969

- THE CANADIAN DAIRY HERD, TOTAL MILK PRODUCTION AND AVERAGE PRODUCTION PER COW, 1959 - 1968.

(CALENDAR YEAR)

Year	Number of Milk Cows at June 1	Total Milk Production	National Average Milk Production Per Cow
	'000 head	million lb.	lb.
1959	2,955	17,615	5,961
1960	2,965	17,746	5,985
1961	2,987	18,339	6,140
1962	2,938 a/	18,382	6,257
1963	2,873 a/	18,432	6,416
1964	2,845 a/	18,505	6,504
1965	2,795 a/	18,360	6,569
1966	2,674	18,380	6,874
1967	2,668	18,228	6,832
1968	2,616	18,335	7,009

a/ Revised.

- MILK UTILIZATION, CANADA, 1959 - 1968.

(CALENDAR YEAR)

Year	Fluid Sales	Creamery Butter	Cheese (Total)	Concentrated Whole Milk Products and Ice Cream Mix	Farm Use
			- million pounds -		
1959	5,051	7,618	1,308	1,611	2,012
1960	5,018	7,497	1,347	1,866	2,002
1961	4,952	8,240	1,443	1,683	1,998
1962	4,972	8,464	1,438	1,489	1,993
1963	5,022	8,235	1,701	1,493	1,954
1964	5,115	8,231	1,778	1,490	1,864
1965	5,206	7,895	1,966	1,522	1,742
1966	5,254	7,813	2,138	1,506	1,637
1967	5,201	7,720	2,099	1,554	1,621
1968	5,129	7,843	2,182	1,545	1,602

- CREAMERY BUTTER IN CANADA, PRODUCTION, DOMESTIC DISAPPEARANCE, SURPLUS OR DEFICIT, AND DOMESTIC DISAPPEARANCE OF MARGARINE, 1959 - 1968.

(CALENDAR YEAR)

Year	CREAMERY BUTTER Production	Domestic Disappearance	Stocks Jan. 1	Surplus or Deficit*	MARGARINE Domestic Disappearance
	- million pounds -				
1959	325.6	303.1	93.7	22.5	152.3
1960	320.4	289.9	105.8	30.5	167.1
1961	352.1	288.3	133.3 a/	63.8	183.3
1962	361.7	320.8	197.1 a/	40.9	183.5
1963	351.9	351.3	238.1 a/	0.6	174.9
1964	351.7	357.3	219.3 a/	-5.6	171.5
1965	337.4	356.2	100.0 a/	-18.8	170.6
1966	333.9	347.8	75.3	-13.9	178.4
1967	329.9	335.8	61.2 b/	-6.3	185.9
1968 (Prel.)	335.2	332.4	56.3 b/	2.8	197.0
1969 (Prel.)	-	-	62.5	-	-

a/ Includes butter equivalent of butter oil stocks.
b/ Stocks take into account imports of butter.

*Difference between production and domestic disappearance, does not account for exports and imports.

ANNUAL BUTTER PRODUCTION BY PROVINCES
000,000 Lbs.

	1965	1966	1967	1968
P.E.I.	5.9	5.2	4.6	4.3
N.S.	3.0	2.9	2.5	2.1
N.B.	5.7	4.8	4.4	3.9
Quebec	131.6	141.2	149.2	153.2
Ontario	107.7	103.4	98.0	100.1
Manitoba	21.8	18.9	17.1	17.2
Saskatchewan	21.7	19.0	16.3	15.9
Alberta	36.6	34.5	33.4	31.9
B.C.	3.2	4.2	4.2	5.1

SKIM MILK POWDER PRODUCTION

Canada	000 lbs.	Per Cent Previous Year	Per Cent 1964
1964 -	203,407		
1965 -	222,155	109.2	
1966 -	263,508	118.6	129.5
1967 -	316,378	120.0	137.3
1968 -	355,926	112.5	175.0

	Ontario	Quebec
1967 Production, 000,000 lbs.	104.7	195.6
1968 " " "	114.9	219.7
% 1968 of 1967	110.0	112.3
% of Canadian, 1967	33.1	61.7
% of Canadian, 1968	32.3	61.7

In 1967 the Commission purchased 101 million pounds and subsidized the private export of 53 million, making a total surplus of 154 million. This was 50 per cent of the 1967 production of 316.4 million.

In 1968 the Commission purchased 200 million pounds and subsidized the private export of 22 million, for a total surplus of 222 million. This was 62 per cent of the 1968 production of 356 million.

CHEDDAR CHEESE PRODUCTION AND CONSUMPTION

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	Production 000,000 lbs.	Consumption 000,000 lbs.	Lbs. Per Capita	All Cheese Per Capita
1964	144.6	113.6	5.9	8.6
1965	158.0	119.4	6.1	9.1
1966	168.1	117.3	5.9	9.2
1967	161.3	127.8	6.3	9.9
1968	165.6	127.8		

CHEDDAR CHEESE EXPORTS AND CHEESE IMPORTS

7.

000,000 lbs.

	Exports	Imports
1964	30.3	15.3
1965	31.6	17.6
1966	35.2	18.2
1967	26.0	23.6
1968	42.7	26.9

From the Office of the Canadian Dairy Commission

T-67
For Immediate Release
Ont., Que. N1, N2, NG

Subject: OCTOBER CHEESE SUPPORT

OTTAWA, September 30, 1969 — The summer support price for first grade cheddar cheese, 46½ cents for 92 score and 47 cents for 93 score or better, will continue as last year, for cheese manufactured to the end of October, the Canadian Dairy Commission announced today. The support price for cheese manufactured from November 1 to March 31 will be 42 cents per pound.

The purpose of the lower winter support price is to avoid surplus production which would have to be taken over by the Commission It is expected that if production is kept to the quantity which can be sold to commercial outlets the price, as was the case last year, will be well above the winter support level.

When the Commission announced its 1969-70 supports in April it indicated that the summer support price would be discontinued on October 1, subject to a review of the situation in September.

Recent discussions with the cheese trade indicate that purchases for domestic and export requirements at the summer support levels will require practically all of the October production and that there would be little, if any, surplus to be offered to the Commission.

The Commission estimates that its purchases of surplus cheese covering production from April 1 to September 30 will be in the order of 7,000,000 pounds, a portion of which will be used by the World Food Program. With the limitation on the quantity which can be exported to the United Kingdom the Commission foresees no outlet for any additional surplus, but on the present appraisal that October production will be required by commercial markets it will continue its summer support price to October 31.

press release

Canadian Dairy Commission

Commission canadienne du lait

communiqué de presse

For Immediate Release

Pour publication immédiate

N, NF, DCR, DCRF, DCR1, DCR1F

SUBJECT: Subsidy Back to Dairy Farmers

SUJET: Retour des subsides aux fermiers

OTTAWA, December 8 , 1976 -- Agriculture Minister Eugene Whelan has accepted the recommendation of the Canadian Milk Supply Management Committee and has authorized the Canadian Dairy Commission to change the method of federal subsidy payments to Canadian producers of industrial milk.

Since national milk production has successfully been brought into line with domestic requirements, it has been possible to discontinue the application of monthly market share quotas.

OTTAWA, le 8 décembre 1976 -- Le Ministre de l'Agriculture, M. Eugene Whelan, a accepté la recommandation du Comité canadien de gestion des approvisionnements du lait et a autorisé la Commission canadienne du lait à changer la méthode de paiements des subventions fédérales aux producteurs canadiens de lait de transformation.

Comme la production nationale de lait a été rapportée au niveau des demandes du marché, il a été possible de discontinuer l'application de quotas mensuels de mise en marché.

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Effective immediately, beginning with payments on October deliveries, subsidy will be paid on all shipments which fall within 95% of annual subsidy eligibility.

En vigueur immédiatement, commençant avec les paiements des livraisons du mois d'octobre, un subside sera payé sur toutes livraisons qui entrent dans le cadre du 95% de l'éligibilité annuelle de subsides.

This change will give Canadian dairy farmers an additional $12 million over the $19 million presently being paid on October shipments. It is expected that the cheques, which are presently being processed, will be in the hands of dairy farmers before Christmas.

Ce changement apportera aux producteurs laitiers du Canada $12 millions en plus des $19 millions présentement payés sur les livraisons du mois d'octobre. Il est entendu que les chèques présentement à l'imprimerie parviendront aux producteurs avant Noël.

The remaining 5% of the subsidy eligibility will be added to farmers final (March) payments.

L'autre 5% de l'éligibilité de subsides sera ajouté aux paiements de fin d'année (mars).

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SUBSIDY HOLDBACK CHANGES

OTTAWA, May 31, 1971 - The Canadian Dairy Commission announces details of the reduced rates of holdback from producer payments for industrial milk and cream, effective with deliveries on and after June 1, 1971.

In provinces under market sharing quotas, presently Quebec and Ontario, the holdback is made from the market payment and producers holding subsidy quotas receive the full rate of subsidy.

In provinces not under market sharing quotas, the holdback is made from subsidy payments.

On deliveries of industrial milk within market quotas in Ontario and Quebec, and on deliveries within subsidy quotas in other provinces, the rate of holdback is reduced from 26¢ per hundred pounds of 3.5% milk to 20¢. Where the holdback is made on a butterfat basis the new rate will be 5.71¢ per pound of butterfat.

The holdback on milk deliveries in excess of market sharing quota is reduced from $2.40 per hundred pounds to $2.05, or 58.57¢ per pound of butterfat.

The new rate of holdback from subsidy payments, in provinces other than Quebec and Ontario, on milk deliveries in excess of subsidy quota is $1.05 per hundred pounds, or 30¢ per pound of butterfat. The previous rate was $1.25.

As announced at the beginning of the present dairy year, there is no holdback on cream deliveries within subsidy or market sharing quotas.

The holdback from subsidy payments on cream deliveries in excess of subsidy quota is reduced from 8¢ per pound of butterfat to 5¢.

The holdback on cream deliveries in excess of market quota will be 30¢ per pound of butterfat, a reduction from 50.28¢.

The funds collected from the holdback are used to finance the cost of disposing of surplus dairy products which have to be exported at prices below Canadian support levels. The present reductions in holdbacks have been made possible as a result of a considerable recent improvement in world market prices of dairy products, and is in keeping with the principle of adjusting the rates as conditions change.

The main surplus product which has to be exported is skim milk powder. The Commission has disposed of all its present stocks. This, together with the improved price, has led to some suggestion among producer interests that a holdback is no longer necessary.

However, while the work situation is favorable at present, international prices are still below the new Canadian support price of 24¢ per pound established on April 1, 1971. The heavy production season is just starting. During 1970-71 the Commission had to take 196 million pounds of powder off the domestic market for export. There are also some indications that present international prices may not continue through the full year.

As stated by Agriculture Minister H.A. (Bud) Olson in his announcement to the House of Commons, it is not desirable to change the rate of holdback too often, and the present rates have been set with the necessity of projecting the position for some time into the future.

Should the revenue from the holdbacks exceed the cost of disposing of surpluses produced in the 1971-72 year by any significant amount, the Commission will make a refund to producers after the end of the year.

(From the Office of the Canadian Dairy Commission - V-36)

press release

Canadian Dairy Commission

Commission canadienne du lait

communiqué de presse

For Immediate Release

SUBJECT: Butterfat Exchange

OTTAWA, September 27, 1977 -- The Canadian Dairy Commission is exchanging butterfat on the international market to reduce losses incurred in exporting surplus skim milk powder.

As the exchanges depend on future sales of whole milk products to other countries, it is not yet known exactly what volume of butterfat exchange will take place this dairy year.

Since the program is one of exchanging butterfat, it has no effect on the domestic requirements for butter, nor the Market Sharing Quotas of milk and cream producers.

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Pour publication immédiate

SUJET: Programme d'échange de la matière grasse

OTTAWA, le 27 septembre 1977 -- La Commission canadienne du lait échange la matière grasse sur le marché international afin de réduire les pertes qu'entraîne l'exportation des excédents de lait écrémé en poudre.

Comme le volume d'échanges dépend de la quantité de produits laitiers contenant des matières grasses qui sera vendue aux autres pays, nous ne savons pas encore exactement quel sera ce volume d'échanges de matière grasse pour la présente année laitière.

Puisque c'est un programme d'échange de matière grasse, il n'affecte en rien les besoins de beurre sur le marché domestique ni les contingents de mise en marché des producteurs de lait et crème.

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BACKGROUND

It is estimated that about 65% (260 million pounds) of all the skim milk powder produced in Canada will have to be exported in the 1977/78 dairy year.

The price received by the Canadian Dairy Commission for the skim milk powder sold on the world market is much lower than the Commission's purchase price for surplus product in Canada. The Canadian Dairy Commission is the crown corporation that buys and stores surplus skim milk powder for resale on the world market.

Milk producers who ship industrial milk (used in the manufacture of dairy products) pay a levy toward the difference between the support price, paid by the Canadian Dairy Commission for surplus skim milk powder (70¢ a pound in 1977/78) and what the Commission sells this surplus product for on the world market, currently about 12¢ to 20¢ a pound.

DOCUMENTATION

Pour la campagne laitière 1977-1978, on estime qu'il faudra exporter environ 65% (260 millions de livres) de toute la production canadienne de lait écrémé en poudre.

Le prix perçu par la Commission canadienne du lait pour les surplus de lait écrémé en poudre sur le marché international est de beaucoup inférieur au prix qu'elle doit débourser aux producteurs canadiens pour l'achat de ces mêmes excédents. La Commission canadienne du lait est la Société d'Etat qui achète et entrepose les surplus de lait écrémé en poudre pour les revendre sur le marché mondial.

Les producteurs qui livrent du lait de transformation (utilisé pour la fabrication de produits laitiers) sont soumis à une retenue sur leur production. Cette retenue doit couvrir la différence entre le prix de soutien du lait écrémé en poudre que paie la Commission canadienne du lait (70¢ la livre en 1977-1978) et le prix de vente de ce produit sur le marché mondial (actuellement entre 12 et 20¢ la livre).

THE MARKETING STRATEGY

In order to reduce the losses on export sales of skim milk powder, the Commission is developing export markets for evaporated milk and whole milk powder. The world market for these products is presently expanding at world market prices or the program would not be economically feasible.

The export marketing strategy has the net effect of increasing the value of skim milk solids and reducing the storage, interest and transportation costs.

Butterfat at Canadian prices is too expensive to export. The only way to nullify losses on exports of Canadian butterfat in such products as whole milk and evaporated milk is to replace the equivalent amount with imports at the world price. The increased value of skim milk solids exported in this manner, as opposed to being sold as skim milk powder, reduces Canadian export losses.

LA STRATEGIE COMMERCIALE

Afin de réduire les pertes entraînées par les ventes de lait écrémé en poudre à l'exportation, la Commission travaille au développement d'un marché d'exportation de lait concentré et de lait entier en poudre. Le marché mondial pour ces deux produits est actuellement en pleine expansion mais la matière grasse que contiennent ces produits doit être échangée au prix du marché mondial si l'on veut que le programme soit rentable.

Cette stratégie commerciale d'échange de matière grasse augmente la valeur du lait écrémé en poudre et réduit les coûts d'entreposage, de transport ainsi que d'intérêts.

Si l'on considère le prix de soutien de la matière grasse au Canada, il est irréaliste de penser à l'exporter au prix du marché mondial. La seule façon de rentabiliser l'exportation de lait entier et de lait concentré, consiste à remplacer la quantité équivalente de matière grasse par des importations au prix mondial. La valeur accrue du lait écrémé en poudre exporté de cette façon plutôt que sous forme de lait écrémé en poudre réduit ainsi les pertes à l'exportation.

This policy will not affect producers' Market Sharing Quota; it only reduces export loss.

Cette politique ne modifie pas les contingents de mise en marché des producteurs, mais seulement réduira les pertes à l'exportation.

THE SAVINGS IN THE PROGRAM

In dollars, what are the potential savings which can be expected?

When the Commission purchases 2,000 pounds of skim milk powder at 70¢ a pound and resells it on the world market at 17¢ a pound, the loss is $1,060. However, when the C.D.C. exports 2,000 pounds of skim milk solids plus butterfat as evaporated milk and imports an equivalent amount of butterfat as butter, the export loss on skim milk solids can be reduced by as much as 20 to 30 per cent.

On a per hundredweight basis, the loss when exporting surplus skim milk powder is about $4.00 per cwt. of milk equivalents. If Canadian whole milk powder (26% butterfat) and evaporated milk (9% butterfat) are exported without a butterfat exchange at world prices, the loss would be $6.00 per cwt. and obviously such a program that would not be advantageous to Canada. However,

ECONOMIES POSSIBLES DE CE PROGRAMME

Quelles économies ce programme nous permet-il de réaliser?

Si la Commission achète 2,000 livres de lait écrémé en poudre à 70¢ la livre et les revend sur le marché mondial à 17¢ la livre, il y a une perte de $1,060. Mais si elle exporte 2,000 livres de lait écrémé en poudre en plus de la matière grasse sous forme de lait concentré et importe une quantité équivalente de matière grasse sous forme de beurre, on peut réduire de 20 à 30% les pertes à l'exportation du lait écrémé en poudre.

Sur une base de cent livres de lait, la perte à l'exportation du lait écrémé en poudre se chiffre à environ $4. Si l'on exportait le lait entier en poudre (26% de matière grasse) et le lait concentré (9% de matière grasse) sans un échange de matière grasse au prix mondial, la perte se chiffrerait à $6 le cent livres. Un tel programme ne serait évidemment pas

when the butterfat exchange takes place, the loss is reduced to at least $3.20 per cwt. and represents a 20% saving in export costs.

avantageux pour le Canada. Cependant lorsqu'on applique le programme d'échange, les pertes sont réduites à au moins $3.20 le cent livres et cet exercise représente une économie de 20% sur les coûts à l'exportation.

There are also additional savings on storage, interest and transportation costs for the butter and skim milk powder equivalents under the Commission's butterfat exchange program.

Ce programme d'échange de matière grasse permet également de diminuer les coûts d'entreposage, d'intérêt et de transport.

The Commission estimates its policy will result in the order of a $2 million saving in export costs which is equivalent to about 2¢ per hundredweight on the export levy normally paid by dairy farmers.

La Commission estime que sa politique permettra d'économiser environ 2 millions de dollars sur les coûts d'exportation, ce qui correspond à environ 2¢ le cent livres sur la retenue à l'exportation auquel sont normallement soumis les producteurs de lait.

press release / communiqué de presse

Canadian Dairy Commission
Commission canadienne du lait

Subject: INDUSTRIAL MILK PRICE INCREASE

OTTAWA, March 28, 1980 -- Agriculture Minister Eugene Whelan announced today that the target price for industrial milk would be increased from $32.62 per hectolitre ($14.38 per hundredweight) to $33.31 per hectolitre ($14.68 per hundredweight) for milk shipments for Canadian requirements effective April 1, 1980.

"The April 1 increase is needed to meet farmers rising costs of production, as determined by the Returns Adjustment Formula," Mr. Whelan said.

The Returns Adjustment Formula triggers a price adjustment review whenever a change of at least two per cent is indicated. In addition to any changes at the beginning of a dairy year, there are no more than two adjustments (at least three months apart) in the course of the dairy year.

The target industrial milk price is achieved through the establishment of support prices on butter and skim milk powder, together with a direct federal subsidy for industrial milk production paid to producers.

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The Canadian Dairy Commission has been authorized to increase the support prices for butter by 8 cents per kilogram (about 3.6 cents per pound) and for skim milk powder by 4 cents per kilogram (about 1.8 cents per pound). The new support price for butter will be $3.34 per kilogram (about $1.51 per pound) and for skim milk powder will be $2.01 per kilogram (about $0.91 per pound).

Retail prices for other dairy products such as cheese, yogurt and ice cream will likely reflect increased milk prices paid to producers.

There will be no direct impact on table milk and cream prices which are totally a provincial responsibility.

When announcing the increases, Mr. Whelan noted the continued strong current demand for butter and cheese. He then urged producers to aim to fill their quotas and thereby ensure there is sufficient milk production to meet national requirements for dairy products.

Market Share Quota issued to producers is currently based on estimated national requirements of 44.1 million hectolitres (100 million hundredweights), which includes the January 1980 increase of two per cent over the previous level.

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press release communiqué de presse

Canadian Dairy Commission
Commission canadienne du lait

For Immediate Release
11, NW, NX

Subject: 1980 - 1981 DAIRY PROGRAM

OTTAWA, July 30, 1980 -- Canada's Minister of Agriculture, Eugene Whelan, today announced details of the 1980-81 Government of Canada dairy program, effective August 1, 1980.

"The 1980-81 dairy program recognizes the important role dairy products have in the diet of Canadians and the economy as a whole," Mr. Whelan said. "Canadian dairy farmers through their nationwide orderly sharing of industrial milk requirements have earned the right to continued strong support from the government and consumers," he added.

Effective August 1, the target returns for industrial milk are raised to $34.61 per hectolitre ($15.26 per hundredweight) from $33.31 per hectolitre ($14.68 per hundredweight) which was established on April 1, an increase of 3.9 per cent.

The increase in farmers' returns -- determined by a formula which measures changes in farmers' costs -- will mean higher prices for butter, skim milk powder, cheese and other manufactured dairy products.

The support price paid by the Canadian Dairy Commission to purchase butter will be raised 17 cents per kilo to $3.51 (up about eight cents per pound to $1.592).

The skim milk powder support price is 12 cents per kilo higher, as of August 1st, at $2.13 (up about five cents per pound

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to $0.966). Retail prices for these and other dairy products such as cheese, yogurt and ice cream are expected to reflect increased milk prices paid to producers. There is no direct impact on the price of fluid milk and cream as the pricing of those produces is a provincial responsibility.

Mr. Whelan announced the Government of Canada will pay a subsidy of $6.03 per hectolitre ($2.66 per hundredweight) on industrial milk produced up to the level of domestic requirements and on milk produced for the export quota program. Canadian requirements as established by the Canadian Milk Supply Management Committee (CMSMC) remain at 44.1 million hectolitres (100 million hundredweights), although it is expected that requirements will increase during the course of the dairy year. The government has authorized an increase in the export quota to 2.20 million hectolitres (five million hundredweights) from 1.32 million hectolitres (three million hundredweights) last year.

Two aspects of subsidy eligibility have been amended to achieve a greater degree of equity among producers and provinces. The minimum delivery requirement has been eliminated and maximum subsidy eligibility will no longer be limited by the effect of the volume of a producer's fluid milk shipments.

Mr. Whelan announced the levy structure for 1980-81 to be collected from producers in the following amounts to cover the costs associated with dairy product exports:

- the in-quota levy will be $2.50 per hectolitre, up from $2.27 per hectolitre ($1.10 per hundredweight, up from $1.00).
- the contingency levy will be $0.23 per hectolitre, down from $0.57 per hectolitre ($0.10 per hundredweight, down from $0.25).
- the skim-off levy remains unchanged at $0.45 per hectolitre ($0.20 per hundredweight) on all Class 1 milk shipments.
- the export-quota levy is $0.23 per hectolitre ($0.10 per hundredweight) on all Market Sharing Quota shipments in provinces participating in the export

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program, up from $0.11 per hectolitre ($0.05 per hundredweight).

- the over-quota levy remains unchanged at $18.16 per hectolitre ($8.00 per hundredweight).

Regarding the above, the CMSMC is currently examining proposals for a new levy structure. If a new structure is to be implemented, it must generate the same amount of dollars needed to cover export costs as this structure does. Producers will be notified if and when there are any changes.

In reaffirming the principle of producer responsibility for the costs associated with any special production for export and for the disposal of all surplus products, the federal government will only be responsible for deficits in the export account resulting from major unforeseen changes in world market conditions and exchange rates. Further, the federal government will not be responsible for any unfinanced losses resulting from the export quota program. Any surplus in the export account up to $10 million will be retained as a precaution against unforeseen losses in the future.

Mr. Whelan remarked on the success of the jointly funded, producer-government advertising program started in 1975-76. He stated the government will provide $2.1 million for this year, compared to $4.5 million last year. Now that demand for dairy products has stabilized, producers will be expected to totally fund their promotion programs in future years.

A budget for dairy product and market research of $1.5 million for 1980-81 has been approved. The research will focus on ways to improve products and expand the use of dairy products in the market. Studies under this program will also include dairy farm accounting projects in Ontario and Quebec and the possible impact on the domestic dairy industry of imports of imitation or filled cheese. A $2 million-a-year commitment for the next four years has been approved.

An amount of $10 million will be spent by the Canadian International Development Agency (CIDA) to purchase skim milk powder from the Canadian Dairy Commission for food aid programs.

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Mr. Whelan also outlined the government's concern at the level of prices paid for industrial milk quota in some parts of the country and is asking these provinces to carefully examine their policies in the best interests of the industry and consumers.

In conclusion Mr. Whelan expressed his confidence that dairy producers across Canada will resolve current issues and will continue to work together to equitably share the Canadian market for industrial milk.

The federal budget for the 1980-81 dairy year will amount to $297.1 million.

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press release
communiqué de presse
Canadian Dairy Commission
Commission canadienne du lait

For Immediate Release

Subject: APPOINTMENTS TO THE CONSULTATIVE COMMITTEE TO THE CANADIAN DAIRY COMMISSION

OTTAWA, November 4, 1980 -- Agriculture Minister Eugene Whelan today announced appointments to the Consultative Committee to the Canadian Dairy Commission.

The Committee members are:

Claude Chevalier, (Chairman), from Scarborough, Ont., Executive Director of the Dairy Bureau of Canada. Prior to joining the Bureau five and a half years ago, Mr. Chevalier had extensive marketing experience as a marketing manager of an advertising agency and he has taught marketing at the University of Quebec.

Kenneth McKinnon, a dairy farmer from Port Elgin, Ont. Mr. McKinnon is the Chairman of the Ontario Milk Marketing Board and a director of Dairy Farmers of Canada.

Jacques Boucher, a dairy farmer from St-Alexandre, Que. He is President of la Federation des producteurs de lait industriel du Quebec and a director of Dairy Farmers of Canada.

Raynald Giroux, President and General Manager of Québec-Lait Inc. from Granby, Que. Mr. Giroux is a director of the National Dairy Council of Canada.

Dwight Stacey, President of Stacey Brothers Ltd. from Stratford, Ont. Mr. Stacey is second Vice-President of the National Dairy Council of Canada.

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Neil Gray, General Manager of the Fraser Valley Milk Producers Association from West Vancouver, B.C. Mr. Gray is a director of the National Dairy Council.

Francois Goulet, of Ottawa, Ont., Vice-President (Marketing) of M. Loeb Ltd. Mr. Goulet represents the Canadian Grocery Distribution Institute.

Eugene Lavallee, a grocery retailer from St-Lambert, Que. Mr. Lavallee is a representative from the Association de detaillants en alimentation du Quebec.

Victoria Billingsley, a consultant from Delta Management Associates, Innuvik, N.W.T. Mrs. Billingsley is representing the Consumers' Association of Canada.

"These men and woman represent a good cross section of those intimately involved with the dairy industry as producers, processors, wholesalers, retailers and consumers," Mr. Whelan said.

The task of the Committee is to advise the Canadian Dairy Commission on matters relating to the domestic production and marketing of dairy products as referred to it by the Commission.

- 30 -

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press release
communiqué de presse
Canadian Dairy Commission
Commission canadienne du lait

For Immediate Release
11, DCR, DCR1

Subject: INDUSTRIAL MILK PRICE INCREASE

OTTAWA, December 30, 1980 -- Agriculture Canada Minister Eugene Whelan today announced that the target returns for industrial milk would be increased from $34.61 per hectolitre to $35.70 per hectolitre for milk shipments for Canadian requirements effective January 1, 1981. This represents a 3.1% increase since the last increase on August 1, 1980. On a twelve month January 1, 1980 to January 1, 1981 basis, it represents a 9.4% increase.

The target returns level is calculated according to the Returns Adjustment Formula established in 1975. The formula is monitored quarterly throughout the dairy year. It measures the change in farmers' average cash costs and the Consumer Price Index (which is used to reflect changes in the value of farmers' labor) plus other factors.

The Returns Adjustment Formula triggers a price adjustment whenever a change of at least two per cent is indicated. There are no more than three adjustments (at least three months apart) in the course of the dairy year including an adjustment on August 1, the start of the dairy year. No price change is made during the relatively heavy sales season for dairy products in November and December.

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The federal price is used as a target by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

The target industrial milk price is achieved through the establishment of federal support prices on butter and skim milk powder, together with a direct federal subsidy paid to producers.

The Canadian Dairy Commission has been authorized to increase the support prices for butter to $3.63 per kilogram (about $1.65 per pound), an increase of 12 cents per kilo, and skim milk powder to $2.20 per kilogram (about $1.00 per pound), an increase of seven cents per kilo.

Retail prices for all other dairy products such as cheese, yogurt and ice cream will likely reflect increased milk prices to producers.

The industrial milk price increase will have no direct impact on the price of table milk and cream because the provinces are responsible for fluid milk pricing.

"I want to take this opportunity to note the continuing strong demand for dairy products, including butter. This is due to consumer awareness of the nutrition and natural aspects of dairy products," Mr. Whelan said.

The total Market Share Quota available to producers in order to provide milk for Canadian requirements and the special export program is currently 48.691 million hectolitres.

"I am very pleased with the performance of the dairy industry at this time. While there is still room for a higher utilization of milk quota, I am confident producers will deliver all the milk required for the year," Mr. Whelan said.

- 30 -

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press release
Canadian Dairy Commission
Commission canadienne du lait
communiqué de presse

For Immediate Release
11, DCR, DCR1

Subject: INDUSTRIAL MILK PRICE INCREASE

OTTAWA, March 31, 1981 -- Agriculture Canada Minister Eugene Whelan today announced that the target returns for industrial milk would be increased from $35.70 per hectolitre to $36.61 per hectolitre for milk shipments needed for Canadian requirements effective April 1, 1981. This represents a 2.5% increase since the last increase on January 1, 1981. On a twelve month April 1, 1980 to April 1, 1981 basis, it represents a 9.9% increase.

"Dairy farmers need this increase to cover costs of producing milk," Mr. Whelan said.

The target returns level is calculated according to the Returns Adjustment Formula established in 1975. The formula is monitored quarterly throughout the dairy year. It measures the changes in farmers' average cash costs and in the Consumer Price Index (which is used to reflect changes in the value of farmers' labour), plus other factors.

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The Returns Adjustment Formula triggers a price adjustment whenever a change of at least two per cent is indicated. There are no more than three adjustments (at least three months apart) in the course of the dairy year including an adjustment on August 1, the start of the dairy year. No price change is made during the relatively heavy sales season for dairy products in November and December.

The federal price is used as a target by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

The target industrial milk price is achieved through the establishment of federal support prices on butter and skim milk powder, together with a direct federal subsidy paid to producers.

The Canadian Dairy Commission has been authorized to increase the support prices for butter to $3.78 per kilogram (about $1.71 per pound), an increase of 15 cents per kilo, and skim milk powder to $2.28 per kilogram (about $1.03 per pound), an increase of 8 cents per kilo.

The support prices for butter and skim milk powder contain a provision for an increase in the returns to processors; there will be no further adjustment of these returns until 1982.

Retail prices for these products and all other dairy products such as cheese, yogurt and ice cream are expected to rise to reflect increased milk prices to producers and higher processor returns.

The industrial milk price increase will have no direct impact on the price of table milk and cream, because the provinces are responsible for fluid milk pricing.

The total Market Share Quota available to producers in order to provide milk for Canadian requirements and the special export program remains at 48.691 million hectolitres on an annual basis. The dairy year is August 1 to July 31.

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Mr. Whelan took the opportunity to report on the progress of the review of the national dairy program currently underway.

"Recently my colleague the Honourable André Ouellet and I concluded two days of open consultations with dairy farmers, processors, retailers and consumers. We were pleased to note the overwhelming support for the present policy."

Mr. Whelan stressed this was not the end of the dairy policy review consultations. He will soon meet with provincial ministers of agriculture to discuss their views on dairy policy and there will also be a full review of written briefs from all interested parties.

- 30 -

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press release communiqué de presse

Canadian Dairy Commission
Commission canadienne du lait

For Immediate Release
11 MX, MW

Subject: 1981-82 DAIRY PROGRAM

OTTAWA, July 30, 1981 -- Agriculture Minister Eugene Whelan today announced details of an interim dairy program, effective August 1, 1981, which provides guidance to the industry for the beginning of the 1981-82 dairy year.

"This interim program sets out dairy support prices based on the current policy. A review of the policy, including the cost of production, is nearing completion and a new long-term policy will be announced in late fall," Mr. Whelan said.

Effective August 1, 1981, the target returns for industrial milk will be increased from $36.61 per hectolitre to $38.06 per hectolitre for milk shipments needed for Canadian requirements. This represents a four-per-cent increase since the last increase on April 1, 1981, and 10 per cent since August 1, 1980. There will be no further price adjustments after those announced today until the dairy policy review is completed.

The Canadian Dairy Commission has been authorized to increase the support prices for butter to $3.95 per kilogram (about $1.79 per pound), an increase of 17 cents per kilo, and skim milk powder to $2.37 per kilogram (about $1.075 per pound), an increase of nine cents per kilo.

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Retail prices for these products and all other dairy products such as cheese, yogurt and ice cream are expected to rise to reflect increased milk prices to producers.

The industrial milk price increase announced today will have no direct impact on the price of table milk and cream, because the provinces are responsible for fluid milk pricing.

The producer's target returns level is calculated according to a Returns Adjustment Formula established in 1975. This formula has been monitored quarterly throughout the dairy year and measures the changes in farmers' average cash costs and in the Consumer Price Index (which is used to reflect changes in the value of farmers' labor), plus other factors.

The current practice is for the Returns Adjustment Formula to trigger a price adjustment whenever a change of at least two per cent is indicated. There are no more than three adjustments (at least three months apart) in the course of the dairy year, including an adjustment on August 1, the start of the dairy year. No price change is made during the relatively heavy sales season for dairy products in November and December.

The target industrial milk price is achieved through the establishment of federal support prices for butter and skim milk powder, together with a federal subsidy paid directly to producers. The subsidy benefits both producers and consumers in that it supplements producer returns from the marketplace and makes consumer prices lower than they would be without the government assistance.

Mr. Whelan announced the Government of Canada will continue to pay a subsidy of $6.03 per hectolitre on industrial milk produced up to the level of domestic requirements, and on 2.2 million hectolitres of milk produced for the export program.

Total Market Sharing Quota including quota for the export program is 48.9 million hectolitres.

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Mr. Whelan also announced the levy structure for 1981/82 to be collected from producers to cover the costs associated with dairy products exports:

-- the in-quota levy will be $3.05 per hectolitre, up from $2.80;

-- the contribution from the fluid sector remains 30.15 cents per hectolitre on all Class 1 sales;

-- the export quota levy is 25 cents per hectolitre on all Market Sharing Quota shipments in provinces participating in the export program, up from 16 cents per hectolitre;

-- the over-quota levy is $17.13 per hectolitre, a reduction from $18.16 per hectolitre.

- 30 -

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press release
Canadian Dairy Commission
Commission canadienne du lait
communiqué de presse

For Immediate Release
11, NW, NX

Subject: INDUSTRIAL MILK PRICE INCREASE

OTTAWA, December 30, 1981 -- Agriculture Canada Minister Eugene Whelan today announced that the target returns for industrial milk would be increased from $38.06 per hectolitre to $39.61 per hectolitre for milk shipments for Canadian requirements effective January 1, 1982.

This represents a 4.1 per cent increase since the last increase on August 1, 1981. On a twelve-month, January 1, 1981 to January 1, 1982 basis, it represents a 10.9 per cent increase.

The target returns level is calculated according to the Returns Adjustment Formula established in 1975. The formula is monitored quarterly throughout the dairy year. It measures the change in farmers' average cash costs and the Consumer Price Index (which is used to reflect changes in the value of farmers' labor), plus other factors.

The Returns Adjustment Formula triggers a price adjustment whenever a change of at least two per cent is indicated. There are no more than three adjustments (at least three months apart) in the course of the dairy year including an adjustment on August 1, the start of the dairy year. No price change is made during the relatively heavy sales season for dairy products in November and December.

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The federal price is used as a target by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

The target industrial milk price is achieved through the establishment of federal support prices on butter and skim milk powder, together with a direct federal subsidy paid to producers.

The Canadian Dairy Commission has been authorized to increase the support prices for butter to $4.13 per kilogram (about $1.87 per pound), an increase of 18 cents per kilo, and skim milk powder to $2.46 per kilogram (about $1.12 per pound), an increase of nine cents per kilo.

Retail prices for all other dairy products such as cheese, yogurt and ice cream will likely reflect increased milk prices to producers.

The industrial milk price increase will have no direct impact on the price of table milk and cream because the provinces are responsible for fluid milk pricing.

"The January 1, 1982 price increase takes into account increased production costs and brings dairy producers up-to-date while the dairy policy review continues.

"A decision on a new long-term dairy policy has been delayed while an in-depth cost of milk production study is being conducted," Mr. Whelan said.

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For immediate release
11, NW, NX

Subject: CHANGES TO NATIONAL DAIRY PROGRAM FOR 1982-83

OTTAWA, December 30, 1982 -- Agriculture Minister Eugene Whelan today announced changes to the 1982-83 National Dairy Program in the areas of federal support prices, industrial milk and cream production quotas and levy rates.

Effective January 1, 1983 the Target Returns for industrial milk will be increased to $41.40 per hectolitre from $41.02 per hectolitre for milk shipments for Canadian requirements.

"I want to stress this increase is within the government of Canada's two year 6&5 wage and price restraint program," Mr. Whelan said.

This change represents a 0.9 per cent increase since the last industrial milk price adjustment on August 1, 1982. On a twelve month January 1, 1982 to January 1, 1983 basis it represents a 4.5 per cent increase. Because of the application of the Government's two-year 6&5 restraint program to the support prices for butter and skim milk powder, the increase to the Target Returns is 1.1 per cent below the level indicated by the Returns Adjustment Formula. This formula, in use since 1975, measures changes in producers' cash costs and the Consumer Price Index.

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The federal price is used as a target by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

The target industrial milk price is achieved through the establishment of federal support prices on butter and skim milk powder, together with a direct federal subsidy paid to producers.

Today's announcement has no direct impact on the price of fluid milk and table cream as the pricing of these products is a provincial responsibility.

The Canadian Dairy Commission has been authorized to increase the support prices for butter to $4.38 per kilogram (about $1.99 per pound), an increase of five cents per kilogram, and skim milk powder to $2.61 per kilogram (about $1.18 per pound), an increase of two cents per kilogram.

Mr. Whelan also took the occasion to announce mid-year adjustments to industrial milk and cream quotas and levy rates. The changes are the result of decisions taken on December 6, 1982 by the Canadian Milk Supply Management Committee, made up of representatives of provincial government agencies, provincial milk producer marketing boards and the Canadian Dairy Commission which chairs the meetings.

At that meeting the Committee decided to cut quotas by almost two per cent, which is in addition to the 2.7 per cent reduction of national Market Sharing Quota at the beginning of the dairy year in August.

"These adjustments are necessary to bring milk production trends in line with current market requirements," Mr. Whelan said.

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Farmers use quotas to guide them on how much to produce in order to meet domestic and export requirements. For the period August 1st to December 1st this year, milk production on a national basis is 7.2 per cent higher than the same period a year ago. Due to this higher production in the early part of the dairy year, current production trends will have to be reduced drastically in Canada between January and July 31, 1983 in order to balance production with anticipated requirements by the end of the dairy year.

Production relative to quotas varies considerably from province to province and among individual producers. Depending on individual quota use some farmers will not have to cut at all while others will have to make significant production adjustments.

The high milk production trend is attributed to a number of factors:

- cash flow requirements for farm operations,
- good pasture and weather conditions this fall in many parts of the country,
- low meat prices for culled cows resulting in milking cows being kept for longer periods,
- the gamble by many Canadian dairymen that, as in some past years, their over-production may be offset by underproduction by their neighbors resulting in the return of over-quota levies at year-end.

With respect to levies, the huge stocks of surplus dairy products overhanging world markets have reduced export returns considerably. This has increased the costs of exporting; therefore the levy funds collected by provinces for remittance to the Canadian Dairy Commission have had to be increased:

<u>New levy rates:</u>

- The <u>in-quota levy</u> is increased to $5.14 per hectolitre effective January 1, 1983 on all shipments within the Market Sharing Quota (MSQ), up from $4.40 per hectolitre established on August 1, 1982.

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- The over-quota levy payable on shipments above 100 per cent of a producer's MSQ is increased to $27.95 per hectolitre, up from $20.21 per hectolitre established August 1, 1982. The corresponding over-quota levy on cream shipments is now $3.51 per kilogram, up from $2.37 per kilogram of butterfat. Because provinces employ different methods of collecting over-quota levy, the actual rate applied for the balance of the dairy year may vary from province to province.

Mr. Whelan stressed that administration of supply management is the responsibility of the Canadian Milk Supply Management Committee. Quota policies and levy collection for producers are the responsibility of individual provinces.

"I commend the members of the Committee for making these difficult but necessary decisions at this time. I fully support their efforts to make adjustments to keep supply and demand in balance and to increase levies to meet their responsibilities for export costs," Mr. Whelan said.

"I urge individual producers to re-examine their milk production patterns relative to their quotas in the context of these new market developments and to follow the advice of their provincial boards and agencies."

On the positive side, it was noted that producers who have been keeping to their quotas should have relatively little difficulty adjusting their production to the new quota level.

Finally, Mr. Whelan observed that all things considered, including the effects of the government's 6&5 restraint program, the dairy industry remains in a healthy position relative to other farm and non-farm sectors.

- 30 -

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press release / communiqué de presse

Canadian Dairy Commission / Commission canadienne du lait

For Immediate Release
11 NW, NX

Subject: INCREASE IN DAIRY SUPPORT PRICES AND ADJUSTMENTS TO THE 1982-83 DAIRY BUDGET

OTTAWA, March 31, 1983 -- Agriculture Minister Eugene Whelan today announced changes in the federal support prices for butter and skim milk powder and adjustments to the budget for the 1982-83 National Dairy Program.

Effective April 1, 1983, the Target Returns for industrial milk and cream will be increased to $41.66 per hectolitre from $41.40 per hectolitre for milk shipments for Canadian requirements. In support of this price, the Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.42 per kilogram, an increase of four cents per kilogram, and skim milk powder to $2.65 per kilogram, an increase of four cents per kilogram.

The federal price is used as a target by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

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The target industrial milk price is achieved through the establishment of federal support prices on butter and skim milk powder, together with a direct federal subsidy paid to producers. The federal subsidy effectively results in lower dairy product prices for consumers.

Mr. Whelan pointed out the support prices for butter and skim milk powder are subject to the federal restraint policy of six per cent in 1982-83 and five per cent in 1983-84. The first year of restraint for the dairy industry began on March 31, 1982 with support prices of $4.13 per kilogram for butter and $2.46 per kilogram for skim milk powder and it terminated on March 31, 1983 with support prices of $4.38 per kilogram for butter and $2.61 per kilogram for skim milk powder, in line with the 6 per cent guideline.

The Minister noted that the prices paid to dairy farmers for their milk during this first year of restraint increased by only 5.2 per cent. This is because the support prices for butter and skim milk powder contribute about 85 per cent of the price farmers receive for their production, while the balance, which comes from the federal consumer subsidy on industrial milk, is a fixed amount.

The dairy industry now enters the second year of restraint during which support prices for butter and skim milk powder will rise by no more than 5 per cent. Again, because the subsidy portion is not permitted to increase, the price that dairy producers will receive for their industrial milk will not increase by more than 4.3 per cent for the year ending March 31, 1984.

Starting April 1, 1983, industrial milk processors will be also subject to the restraint of the federal 6&5 Program for the next two years. As is the case for farmers, since the subsidy portion of the milk return is not permitted to increase, the increase in margins to cover the cost of processing industrial milk will be limited to 5.2 per cent and 4.3 per cent respectively, and will terminate on March 31, 1985.

"Dairy farmers and processors were among the first to publicly express support for the federal government's restraint program of 6&5," Mr. Whelan remarked.

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"Dairy farmers are experiencing very difficult times due to a depressed world market and I hope that other countries, mainly the United States and the EEC, will control their production in the future. Such controls would greatly assist in stabilizing the world market for dairy products."

The Minister also announced that the loan limit to the Commission of $300 million which has been in place since 1975 is now increased to $400 million. These loans from the Department of Finance permit the Commission to acquire butter and skim milk powder under the federal government support program. The budget for warehousing, transport and interest costs paid by the federal government was increased to $33 million for the 1982-83 dairy year.

Mr. Whelan stressed that certain changes related to the domestic price support program took place this year. Any marketing costs associated with products produced from over-quota milk, including interest on the loan mentioned above, are now part of the over-quota levy paid by those farmers who produced over their quotas.

Today's announcement has no direct impact on the price of fluid milk and table cream as the pricing of these products is a provincial responsibility.

- 30 -

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press release

Canadian Dairy Commission

Commission canadienne du lait

communiqué de presse

SUBJECT: ASSISTANCE ON SKIM MILK POWDER FOR DOMESTIC ANIMAL FEED

OTTAWA - May 31, 1983 - The Canadian Dairy Commission announced a new pricing policy for its skim milk powder which is denatured and used in animal feeds in Canada.

Under this program, when there is a demonstrated shortage of feed grade skim milk powder in Canada, skim milk powder will be made available to animal feed manufacturers through skim milk powder manufacturers at about $100 per metric tonne above the greater of the world trading price or the Commission's budgeted export price.

Effective June 1, 1983 the level of rebate available for this powder will be $1.56 compared to the current $1.05 per kilogram upon submission of appropriate documentation including certification by Agriculture Canada that the powder for this purpose has been denatured for animal feeding purposes. This will result in lower prices for quality milk replacers.

SUJET: AIDE OFFERTE SUR LA POUDRE DE LAIT ÉCRÉMÉ DESTINÉE À L'ALIMENTATION ANIMALE

OTTAWA - le 31 mai 1983 - La Commission canadienne du lait a annoncé une nouvelle politique de prix pour la poudre de lait écrémé dénaturée et destinée à l'alimentation animale sur le marché domestique.

En vertu de ce programme, quand le marché de l'alimentation du bétail est manifestement à court de poudre de lait écrémé, les fabricants d'aliments du bétail peuvent s'en procurer auprès des producteurs de poudre de lait écrémé. Ils doivent alors la payer environ 100$ de plus par tonne métrique que le prix le plus élevé sur le marché mondial, ou le prix prévu pour l'exportation par la Commission.

À compter du 1er juin 1983, un rabais de 1,56$ comparé au rabais actuel de 1,05$ par kilogramme sera consenti pour cette poudre après présentation de la documentation voulue, qui doit comprendre une attestation d'Agriculture Canada précisant que cette poudre a été dénaturée aux fins de l'alimentation animale. Cela permettra de réduire les prix des aliments d'allaitement de qualité.

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The new pricing policy has been adopted by the Commission and approved by the Canadian Milk Supply Management Committee. The cost of the program is borne by dairy producers who also absorb the losses associated with exporting skim milk powder.

The policy of making denatured first grade skim milk powder available to Canadian feed manufacturers when there is a demonstrated shortage of feed grade powder has been in effect for several years.

The new pricing policy was prompted by a number of recent developments, notably the declining use of skim milk powder in feeds together with the growing use of cheaper substitutes, and the greatly reduced market opportunities for skim milk powder generally.

Dairy producers could also realize improved returns from surplus calves as Canadian veal producers will now be in a more competitive position to meet domestic demand for veal. Canada is currently a net importer of veal and veal products.

In recent years, huge surpluses of skim milk powder in major dairy producing countries have seriously weakened the international market and therefore any increased use of skim milk powder by the domestic feed industry will assist the Commission in marketing its skim milk powder stocks.

Cette nouvelle politique a été adoptée par la Commission et approuvée par le Comité canadien de gestion des approvisionnements de lait. Les producteurs laitiers supportent les coûts de ce programme, et absorbent également les pertes imputables aux exportations de poudre de lait écrémé.

La politique qui consiste à permettre aux fabricants canadiens d'aliments pour animaux de se procurer de la poudre de lait écrémé de première catégorie et dénaturée, en cas de pénurie de poudre de la qualité pour animaux sur le marché, est en vigueur depuis plusieurs années.

Plusieurs développements récents ont motivé la nouvelle politique de prix. Il y a eu en particulier la diminution sensible de l'utilisation de poudre de lait écrémé pour la fabrication des aliments du bétail allant de paire avec l'utilisation croissante de substituts moins chers. Dans l'ensemble, les possibilités de mise en marché de la poudre de lait écrémé sont nettement moins bonnes.

Les producteurs laitiers pourront aussi augmenter leurs revenus grâce aux surplus de veaux, les producteurs canadiens de veaux étant maintenant mieux à même d'être concurrentiels pour répondre à la demande intérieure de veau. Le Canada est pour l'instant un importateur net de veaux et de produits du veau.

Les énormes surplus de poudre de lait écrémé enregistrés dans les principaux pays producteurs de lait ont, au cours des dernières années, affaibli de façon marquée le marché international. Toute augmentation de la consommation intérieurs de poudre de lait écrémé par l'industrie de l'alimentation du bétail aidera donc la Commission à écouler ses stocks de ce produit.

All the major dairy producing countries operate programs whereby skim milk powder is made available for use in animal feed.

For further information on the program, please contact:

Denis Renaud
Director, Domestic Marketing
Canadian Dairy Commission
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Tel. (613) 998-9490

Les principaux pays producteurs laitiers ont tous des programmes permettant de libérer de la poudre de lait écrémé pour leurs secteurs de l'alimentation animale.

Pour obtenir de plus amples informations sur ce programme, on peut s'adresser à:

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marché domestique
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press release

Canadian Dairy Commission
Commission canadienne du lait

communiqué de presse

For Immediate Release
11 NW, NX

Subject: NATIONAL DAIRY PROGRAM

OTTAWA, July 29, 1983 -- Agriculture Minister Eugene Whelan today announced some aspects of the Government of Canada's National Dairy Program for the 1983/84 dairy year which commences August 1, 1983. In making this announcement, he noted that he expects that the remaining elements of the program will be announced later in the fall.

Effective August 1, 1983, the Target Returns level for industrial milk and cream production is $42.80 per hectolitre, an increase of 2.7 percent over the current price of $41.66 per hectolitre for shipments for Canadian requirements. The Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.55 per kilogram, an increase of $0.13 per kilogram, and skim milk powder to $2.72 per kilogram, an increase of $0.07 per kilogram, also effective August 1, 1983.

The Target Returns level is calculated according to a formula established in 1975 which measures changes in farmers' cash costs and other factors. The Target Returns level is used as a guide by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

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Today's announcement has no direct impact on the price of fluid milk and table cream as the pricing of these products is a provincial responsibility.

The rate of federal subsidy will continue to be $6.03 per hectolitre on Canadian Requirements.

The Minister announced that, pending a review of the 1983/84 dairy program by the federal government, and as agreed by the Canadian Milk Supply Management Committee (CMSMC):

(a) total Market Share Quota (MSQ) will be 47.6 million hectolitres for 1983/84, made up of domestic requirements of 44.5 million hectolitres, 2.2 million hectolitres of quota for the special export program and a reduced sleeve of 2 per cent or 0.9 million hectolitres;

(b) the levy rates to cover export costs to be collected from producers by provinces and remitted to the Canadian Dairy Commission are as follows:

- the in-quota levy will be $5.14 per hectolitre, unchanged from the rate established January 1, 1983;
- the contribution from the fluid milk sector remains at $0.3015 per hectolitre on all Class 1 sales;
- the over-quota levy rate payable to the Commission is $31.79 per hectolitre, up from $29.75 per hectolitre, for milk shipments above MSQ and $4.14 per kilogram for butter fat for cream shipments above MSQ. This reflects the higher disposal costs of surplus products on the world market where prices are currently very low. Farmers are responsible for the costs of financing and storing products produced from over quota milk and cream production.

"Because the CMSMC decisions were taken only recently, the government has not yet had the opportunity to review these decisions or their funding implications," Mr. Whelan said. "I expect to make a further announcement in the fall when this has been done."

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The Minister congratulated dairy farmers and milk marketing agencies for their success in implementing corrective measures taken in January to bring milk production in line with market requirements. As a result, while cumulative milk production to the end of January 1983 was up 7 percent over that of the previous year, by the end of July production will be down to last year's level.

In recent months, consumption of dairy products has shown an encouraging upward trend. The Minister attributed this to the improving overall economic situation in the country to which he gives a great deal of credit to the national 6 and 5 restraint program. However, Mr. Whelan cautioned producers and their representatives to monitor closely the resurgence in demand for dairy products. If demand does not meet projected targets, corrective action will have to be taken in January 1984 to reduce production and to reduce the marketing operation costs of the CDC paid by the federal government through levy increases if necessary.

The industrial sector of the milk industry in Canada under federal jurisdiction is in its second year of the government's 6 and 5 wage and price restraint program. Due to the application of the 5 percent restraint on support price increases for butter and skim milk powder, effective April 1, 1983 to March 31, 1984, increases in the Target Returns level for milk will increase no more than 4.3 percent over the year. This is because the subsidy portion of the Target Returns is not indexed.

"The dairy industry in Canada has had to face two major challenges in recent years. The first has been reduced demand for its products in Canada. The second has been a dramatic lowering of prices on world markets due to reduced demand and record high surpluses of over two million tonnes of dairy products produced by other nations. These challenges are being effectively met by the supply management program and other federal policy elements", Mr. Whelan said.

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Continued support by producers and the various levels of government are an essential component of the program's success on behalf of producers and consumers in Canada.

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For further information, media should contact:

Rowan Lalonde
Canadian Dairy Commission
(613) 998-9490

press release / communiqué de presse

Canadian Dairy Commission / Commission canadienne du lait

SUBJECT: ASSISTANCE ON SKIM MILK POWDER FOR DOMESTIC ANIMAL FEED

OTTAWA - September 1st, 1983 - The Canadian Dairy Commission announced a new level of rebate for its denatured skim milk powder used in animal feeds in Canada.

Under this program, when there is a demonstrated shortage of feed grade skim milk powder in Canada, skim milk powder is available to animal feed manufacturers through skim milk powder manufacturers at about $100 per metric tonne above the greater of the world trading price or the Commission's budgeted export price.

Effective September 1, 1983 the level of rebate available for this powder will be $1.70 compared to the current $1.56 per kilogram upon submission of appropriate documentation including certification by Agriculture Canada that the powder for this purpose has been denatured for animal feeding purposes.

The pricing policy was adopted by the Commission and approved by the Canadian Milk Supply Management Committee. The cost of the program is borne by dairy producers who also absorb the losses associated with exporting skim milk powder.

SUJET: AIDE OFFERTE SUR LA POUDRE DE LAIT ÉCRÉMÉ DESTINÉE À L'ALIMENTATION ANIMALE

OTTAWA - le 1 septembre 1983 - La Commission canadienne du lait a annoncé un nouveau rabais sur la poudre de lait écrémé dénaturée destinée à l'alimentation animale sur le marché domestique.

En vertu de ce programme, quand le marché de l'alimentation du bétail est manifestement à court de poudre de lait écrémé, les fabricants d'aliments du bétail peuvent s'en procurer auprès des producteurs de poudre de lait écrémé. Ils doivent alors la payer environ 100$ de plus par tonne métrique que le prix le plus élevé sur le marché mondial, ou le prix prévu pour l'exportation par la Commission.

À compter du 1er septembre 1983, un rabais de 1,70$ comparé au rabais actuel de 1,56$ par kilogramme sera consenti pour cette poudre après présentation de la documentation voulue, qui doit comprendre une attestation d'Agriculture Canada précisant que cette poudre a été dénaturée aux fins de l'alimentation animale.

Cette politique a été adoptée par la Commission et approuvée par le Comité canadien de gestion des approvisionnements de lait. Les producteurs laitiers supportent les coûts de ce programme, et absorbent également les pertes imputables aux exportations de poudre de lait écrémé.

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The policy of making denatured first grade skim milk powder available to Canadian feed manufacturers when there is a demonstrated shortage of feed grade powder has been in effect for several years. The Commission will give priority to the utilization of any older skim milk powder stocks under this program.

In recent years, huge surpluses of skim milk powder in major dairy producing countries have seriously weakened the international market and therefore any increased use of skim milk powder by the domestic feed industry will assist the Commission in marketing its skim milk powder stocks.

All the major dairy producing countries operate programs whereby skim milk powder is made available for use in animal feed.

For further information on the program, please contact:

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La politique qui consiste à permettre aux fabricants canadiens d'aliments pour animaux de se procurer de la poudre de lait écrémé de première catégorie et dénaturée, en cas de pénurie de poudre de la qualité pour animaux sur le marché, est en vigueur depuis plusieurs années. En vertu de ce programme, la Commission donnera d'abord la priorité aux plus anciens stocks de poudre de lait écrémé.

Les énormes surplus de poudre de lait écrémé enregistrés dans les principaux pays producteurs de lait ont, au cours des dernières années, affaibli de façon marquée le marché international. Toute augmentation de la consommation intérieure de poudre de lait écrémé par l'industrie de l'alimentation du bétail aidera donc la Commission à écouler ses stocks de ce produit.

Les principaux pays producteurs laitiers ont tous des programmes permettant de libérer de la poudre de lait écrémé pour leurs secteurs de l'alimentation animale.

Pour obtenir de plus amples informations sur ce programme, on peut s'adresser à:

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press release communiqué de presse

Canadian Dairy Commission
Commission canadienne du lait

6&5 working together travaillons ensemble Canada

For Immediate Release
11NW, NX

Subject: BUTTER SALE

OTTAWA, February 2, 1984 -- Agriculture Minister Eugene Whelan today announced a price reduction on butter sold under the government's price support program.

Plan 'A' butter stocks held by the Canadian Dairy Commission will be made available to butter manufacturers and re-workers in bulk amounts through the Commission at $4.30 per kilogram (roughly $1.94 per pound). This is a reduction of 30¢ per kilogram (roughly 14¢ per pound) from the current support price. The offer is effective between February 13 and February 29, 1984 subject to availability of stocks.

The price reduction will enable participating manufacturers and retailers to provide Canadian consumers with savings in the purchase of butter.

"This special price reduction will further stimulate butter sales which have been increasing and at the same time will enable the CDC to achieve a more normal stock position. The program will not result in additional costs to the government," Mr. Whelan said.

- 30 -

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press release / communiqué de presse

Canadian Dairy Commission
Commission canadienne du lait

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For Immediate Release
11NW, NX

Subject: NATIONAL DAIRY PROGRAM

OTTAWA, March 1, 1984 -- Agriculture Minister Eugene Whelan today announced final details of the federal government's 1983/84 National Dairy Program which commenced August 1, 1983.

This further National Dairy Policy announcement covers elements initially released as interim measures on July 29 and December 29 of last year.

After a full evaluation of funding implications, the budget for this year's dairy program is $304.6 million. Of this amount, $281.6 million is for the subsidy of milk and cream production used to meet Canadian Requirements for dairy products and includes a subsidy for the special export program. The subsidy is paid at the rate of $6.03 per hectolitre, unchanged since 1975. It is regarded as a consumer subsidy as it reduces the cost of dairy products to consumers.

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The federal government funds the carrying charges incurred by the Canadian Dairy Commission to purchase, store and transport dairy products produced from milk needed to meet Canadian requirements. The 1983/84 dairy year budget is for $26.5 million, part of which is from an increase of $8.1 million of new funds to cover increased costs in fiscal years 1982/83 and 1983/84. $20.6 million of the total to be funded by government is only for products produced from milk needed to meet Canadian requirements. $5.9 million is to be funded from dairy farmers through their 1983/84 levies in order to cover costs associated with surplus butter.

The government will also continue to fund dairy product and market research at $2.2 million a year up until March 31, 1989. The Minister pointed out that there is strong support throughout the industry for the continuation of this program.

The Minister also confirmed, following a review of the program elements, such as projected milk requirements and marketing costs, that:

(a) the total Market Share Quota (MSQ) is 47.6 million hectolitres for 1983/84, made up of domestic requirements of 44.5 million hectolitres, 2.2 million hectolitres of quota for the special export program and a reduced sleeve of two per cent or 0.9 million hectolitres;

(b) the levy rates to cover export costs to be collected from producers by provinces and remitted to the Canadian Dairy Commission, remain as announced on August 1, 1983;

- the in-quota levy remains $5.14 per hectolitre,
- the contribution from the fluid milk sector remains at $0.3015 per hectolitre on all Class 1 sales;

- the over-quota levy rate payable to the Commission is $31.79 per hectolitre for milk shipments and $4.14 per kilogram for cream shipments above MSQ. This levy reflects the disposal costs of surplus products on the world market where prices are currently very low and includes an amount to cover carrying charges on dairy products resulting from surplus milk production. Farmers are responsible for the cost of financing and storing products produced from over-quota milk and cream production.

The Minister also announced he has asked his officials to make an assessment for further government consideration of current trade issues of concern to the dairy industry. These include the global cheese import quota and the threat posed to the domestic industry of potential imports of imitation dairy products.

Mr. Whelan stressed that farmers are to be congratulated for making the necessary and often very difficult production adjustments to bring milk production back in line with market requirements. He noted they did so while being subject to the national 6 and 5 wage and price restraint program.

Mr. Whelan went on to describe his view of what the future holds for the industry.

"Two years ago we faced falling consumption, overproduction of milk and growing surpluses. Today consumption is up, milk production is in line with market requirements and surplus butter stocks have been reduced by half since August.

"Now we have the first nation-wide reduction in the selling price of butter purchased from the Canadian Dairy Commission. This will hopefully increase butter consumption, reduce stocks further and let consumers share in the opportunity for savings on purchases of surplus butter.

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"This new opportunity poses challenges for butter marketers and I'm confident they will respond with an aggressive selling program."

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For more information, media may contact:

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(613) 998-9490

press release

Canadian Dairy Commission

Commission canadienne du lait

communiqué de presse

For Immediate Release
11 NW, NX

Subject: NATIONAL DAIRY PROGRAM

OTTAWA, March 30, 1984 -- Agriculture Minister Eugene Whelan today announced that effective April 1, 1984, the Target Returns level for industrial milk and cream production will rise to $43.83 per hectolitre, an increase of 1.5 per cent over the current price of $43.18 per hectolitre.

The Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.71 per kilogram, an increase of $0.11 per kilogram, and skim milk powder to $2.79 per kilogram, an increase of $0.05 per kilogram, also effective April 1, 1984. The new support prices include provisions for an increase to the returns to manufacturers for processing milk into butter and skim milk powder. The announced price increases are in full compliance with the federal restraint program.

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The Target Returns level for industrial milk and cream is calculated according to a formula established in 1975 which measures changes in farmers' cash costs and other factors. While in this instance the formula indicated a somewhat higher returns level, this price increase reflects adjustments to keep it within the federal restraint program.

The recent federal budget announced an extention of restraint on federal dairy support price increases. On March 31, farmers will have completed the second year of the original 6 and 5 per cent restraint which yielded increases in returns to them of 4.3 per cent due to the non indexation of the subsidy portion of the Returns Adjustment Formula. On April 1, 1984 farmers begin the third year of restraint of 4 per cent; however, for the reason noted above the maximum return possible is 3.4 per cent between April 1, 1984 and March 31, 1985.

In the case of manufacturers, implementation of the origininal 6 and 5 restraint on processing margins started on April 1, 1983 and therefore manufacturers are only now entering the second year of 5 per cent restraint which will yield a 4.3 per cent increase.

The Target Returns level is used as a guide by provincial milk marketing agencies when setting prices for industrial milk and cream in their province. This Target is backed up in the market place by the federal offer-to-purchase program for butter and skim milk powder.

Retail prices for butter, skim milk powder and other manufactured dairy products such as cheese, yogurt and ice cream are expected to rise to reflect the increased milk price to producers and increased processing margin for manufacturers. The federal government does not control retail prices.

Today's announcement has no direct impact on the price of fluid milk and table cream as the pricing of these products is a provincial responsibility.

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Mr. Whelan had some words of caution for the industry regarding the recent resurgence in milk production:

"Over the past 12 months or so, domestic consumption of dairy products has been steadily increasing. I am pleased to report it has now surpassed the level achieved in 1980, at which point consumption began to decline during the recession.

"As a result, since August 1983, the surplus butter stocks, which had been accumulated over the past two years, have been reduced. In February the Commission held a successful nationwide sale of its butter stocks to try and generate some additional sales and to further reduce the surplus.

"However, recent reports indicate farmers are beginning to increase their milk production at a rate greater than is needed to fill market requirements for the balance of the dairy year. It would be more desirable to boost fall production to meet market requirements during this traditionally lower production period. Therefore, I urge producers to keep their production in line with their quotas and to bring about a better balance between summer and winter months."

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For more information, media may contact:

Rowan Lalonde
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(613) 998-9490

press release / communiqué de presse

Canadian Dairy Commission / Commission canadienne du lait

For Immediate Release
11NW, NX

Subject: NATIONAL DAIRY PROGRAM

OTTAWA, July 27, 1984 -- Agriculture Minister Ralph Ferguson today announced the major elements of the Government of Canada's National Dairy Program for the 1984/85 dairy year which commences August 1, 1984.

Effective August 1, 1984, the Target Returns level for industrial milk and cream production is $44.65 per hectolitre, an increase of 1.9 per cent over the current price of $43.83 per hectolitre for milk for Canadian requirements. The Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.784 per kilogram, an increase of 7.4 cents per kilogram (1.6 per cent), and skim milk powder to $2.85 per kilogram, an increase of 6 cents per kilogram (2.1 per cent), also effective August 1, 1984.

The increase in the Target Returns is the maximum allowable under the federal four per cent wage and price restraint program. Restraint for producers ends March 31, 1985.

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The Target Returns level is calculated according to an established formula which measures changes in farmers' cash costs and other factors. The Target Returns level is used as a guide by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

Today's announcement has no direct impact on the price of fluid milk and table cream as the pricing of these products is a provincial responsibility.

The rate of federal subsidy will continue to be $6.03 per hectolitre on Canadian requirements. It was emphasized that subsidy is payable only to producers in provinces which are participating in the National Milk Marketing Plan. As a result, the Minister again urged provinces to work together in a responsible manner to ensure the full participation of all provinces in the national plan.

Mr. Ferguson announced the national Market Sharing Quota (MSQ), will be 47.6 million hectolitres on August 1, 1984, unchanged from August 1, 1983. This MSQ includes 2.2 million hectolitres of quota for the special export program. Each province has an option of not accepting up to two-thirds of its allocated quota under this special program.

With respect to the levy structure usually announced at this time, the Minister explained there would not be a uniform levy system this year. This is in response to the wishes of provinces and producer representatives at a recent meeting of the Canadian Milk Supply Management Committee. At that meeting, provinces elected to meet their responsibility for funding the 1983/84 deficit and marketing costs in 1984/85 in a manner best suited to each province. The in-quota levy is expected to range between $5.14 and $6.14 per hectolitre, depending on the measures taken by individual provinces.

The over-quota levy is set at $34.38 per hectolitre on milk at 3.6 kilograms of butterfat and $4.00 per kilogram of butterfat on cream.

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The level of MSQ and levies will be reviewed as the dairy year progresses. Adjustments will be made should circumstances warrant.

"The continuing world market surplus and low export prices for our dairy products coupled with a small surplus inventory of butter in Canada left us no choice but to remain flexible in managing the industry," Mr. Ferguson said.

For the next three years, the Canadian Dairy Commission will fund a market development program for skim milk powder in Canada to be developed in cooperation with the Dairy Bureau of Canada. The objective is to increase domestic use of skim milk powder to minimize export costs and to reduce the in-quota levy paid by producers. The government is asking for the full cooperation of producers and processors to ensure the success of this program.

"The programs I've announced today confirm the government's commitment to a stable and healthy dairy industry. The policy principles remain intact. The policy enables milk producers to carry on with their farm operations while leaving provincial marketing boards and agencies the option to manage their production and levy collection responsibilities as best suits the circumstances in their provinces," Mr. Ferguson said.

"With respect to the representations by farmers for a new long-term dairy policy, I am sure producers will understand that there hasn't been time to conduct a proper examination of the policy options. Consultations on areas of concern to dairy farmers will continue."

Mr. Ferguson urged producers to watch for announcements from their provincial agencies and to heed their advice on production targets.

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For more information, media may contact:

Rowan Lalonde
Canadian Dairy Commission
(613) 998-9490

press release

Canadian Dairy Commission

Commission canadienne du lait

communiqué de presse

SUBJECT: ASSISTANCE ON SKIM MILK POWDER FOR DOMESTIC ANIMAL FEED

OTTAWA - September 5, 1984 - The Canadian Dairy Commission announced a new level of rebate for its denatured skim milk powder used in animal feeds in Canada.

Under this program, when there is a demonstrated shortage of feed grade skim milk powder in Canada, skim milk powder is available to animal feed manufacturers through skim milk powder manufacturers at about $100 per metric ton above the greater of the world trading price or the Commission's budgeted export price.

Effective September 5, 1984 the level of rebate available for this powder will be $1.84 compared to the current $1.70 per kilogram upon submission of appropriate documentation including certification by Agriculture Canada that the powder has been denatured for animal feeding purposes.

The pricing policy was adopted by the Commission and approved by the Canadian Milk Supply Management Committee. The cost of the program is borne by dairy producers who also absorb the losses associated with exporting skim milk powder.

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SUJET: AIDE OFFERTE SUR LA POUDRE DE LAIT ÉCRÉMÉ DESTINÉE À L'ALIMENTATION ANIMALE

OTTAWA - le 5 septembre 1984 - La Commission canadienne du lait a annoncé un nouveau rabais sur la poudre de lait écrémé dénaturée destinée à l'alimentation animale sur le marché domestique.

En vertu de ce programme, quand le marché de l'alimentation du bétail est manifestement à court de poudre de lait écrémé, les fabricants d'aliments du bétail peuvent s'en procurer auprès des producteurs de poudre de lait écrémé. Ils doivent alors la payer environ 100$ de plus par tonne métrique que le prix le plus élevé sur le marché mondial, ou le prix prévu pour l'exportation par la Commission.

À compter du 5 septembre 1984, un rabais de 1,84$ comparé au rabais actuel de 1,70$ par kilogramme sera consenti pour cette poudre après présentation de la documentation voulue, qui doit comprendre une attestation d'Agriculture Canada précisant que cette poudre a été dénaturée aux fins de l'alimentation animale.

Cette politique a été adoptée par la Commission et approuvée par le Comité canadien de gestion des approvisionnements de lait. Les producteurs laitiers supportent les coûts de ce programme, et absorbent également les pertes imputables aux exportations de poudre de lait écrémé.

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The policy of making denatured first grade skim milk powder available to Canadian feed manufacturers when there is a demonstrated shortage of feed grade powder has been in effect for several years. Under this program, the Commission gives priority to the utilization of any older skim milk powder stocks.

Huge surpluses of skim milk powder in major dairy producing countries continue to depress international market prices. Therefore any increased use of skim milk powder by the domestic feed industry assists the Commission in marketing its skim milk powder stocks.

All the major dairy producing countries operate programs whereby skim milk powder is made available for use in animal feed.

Sales of skim milk powder for animal feed purposes under the Commission's program increased last year by about two and a half times the volume marketed in 1981/82.

For further information on the program, please contact:

Domestic Marketing Section
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Ottawa, Ontario
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La politique qui consiste à permettre aux fabricants canadiens d'aliments pour animaux de se procurer de la poudre de lait écrémé de première catégorie et dénaturée est déjà en vigueur depuis plusieurs années. En vertu de ce programme, la Commission donne d'abord la priorité aux plus anciens stocks de poudre de lait écrémé.

Les énormes surplus de poudre de lait écrémé enregistrés dans les principaux pays producteurs de lait continuent d'affaiblir de façon marquée les prix du marché international. Toute augmentation de la consommation intérieure de poudre de lait écrémé par l'industrie de l'alimentation du bétail aide donc la Commission à écouler ses stocks de ce produit.

Les principaux pays producteurs laitiers ont tous des programmes permettant de libérer de la poudre de lait écrémé pour leurs secteurs de l'alimentation animale.

L'an dernier, les ventes de poudre de lait écrémé destinée à l'alimentation animale en vertu de ce programme de la Commission ont augmenté d'environ deux fois et demi par rapport au volume vendu en 1981/82.

Pour obtenir de plus amples informations sur ce programme, on peut s'adresser à:

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press release
communiqué de presse
Canadian Dairy Commission
Commission canadienne du lait

For Immediate Release
11 NW, NX

Subject: NATIONAL BUTTER SALE

OTTAWA, February 13, 1985 -- Agriculture Minister John Wise today joined with the President of the Dairy Farmers of Canada organization, Mr. Jacques Boucher, in announcing for the second year in a row, a Canada-wide sale of butter from the inventories of the Canadian Dairy Commission.

"The objectives of the sale are to provide consumers with an opportunity to purchase butter at a reduced price and to thereby increase overall consumption," Mr. Wise said.

"During the sale, butter in bulk from the Commission will be 30 cents per kilogram below the current support price."

Thirteen million kilograms, in 25-kilogram blocks, are being offered to butter processors between February 15 and 28 this year. This represents about one and a half month's consumption in Canada.

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It is expected that most of the price reduction will be passed directly to consumers by retail stores. And, as occurred last year, it is likely most retailers will use this butter in specials to attract consumers to their stores.

The butter is all Canada grade "A" and can be refrozen should consumers wish to take advantage of this opportunity by buying large quantities.

The butter sale is provided courtesy of the dairy farmers of Canada who will cover the costs of the sale.

Mr. Boucher expressed, on behalf of the 45,000 dairy farmers and their families across Canada, his appreciation to consumers for the support and loyalty for Canadian dairy products throughout the year.

"We hope those consumers who are not regular users of butter will take this opportunity to reconsider doing so in future," Mr. Boucher added.

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For more information and conditions of the sale, please contact:

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For Immediate Release
11 NW, NX

NATIONAL DAIRY TARGET RETURNS INCREASED

OTTAWA, August 15, 1985 -- Agriculture Minister John Wise today announced an increase in the target price for industrial milk and in federal support prices for butter and skim milk powder.

Effective August 16, 1985, the Target Returns level for industrial milk and cream production is $45.68 per hectolitre for milk for Canadian requirements. The Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.929 per kilogram and skim milk powder to $2.922 per kilogram.

The target price for industrial milk with 3.6 kilograms of butterfat per hectolitre is 2.3 per cent above the current price of $44.65 per hectolitre. This increase of $1.03 per hectolitre is the amount indicated by the Returns Adjustment Formula through the second quarter of 1985.

Federal support prices for butter and skim milk powder are being raised 14.5 cents (3.0 per cent) and 7.2 cents (2.5 per cent) per kilogram, respectively, also effective August 16, 1985.

The Target Returns level for industrial milk and cream is calculated according to the Returns Adjustment Formula established in 1975, which measures changes in farmers' cash costs and other factors. The Target Returns level is used as a guide by provincial milk marketing agencies when setting prices for industrial milk and cream in their provinces.

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The new support prices also include provisions for an increase in the returns to manufacturers for processing milk into butter and skim milk powder.

Today's announcement has no direct impact on the price of fluid milk and table cream, since the pricing of these products is a provincial responsibility.

The Canadian Milk Supply Management Committee has already established the national Market Sharing Quota (MSQ) at 46.6 million hectolitres for the 1985-86 dairy year commencing August 1, 1985. This is a reduction of 1.6 per cent nationally from last year's quota level, due mainly to the lowering of the Special Export Quota from 2.2 million to 1.726 million hectolitres.

Due to provincial administrative programs, however, this reduction may or may not result in a change in the quotas of individual producers. The extent of participation in the Special Export Quota is optional for each province.

Mr. Wise indicated these interim measures would remain in effect pending the establishment of a long-term dairy policy.

"Last month, I appointed two advisors, Everett Biggs and Benoît Lavigne, to consult with producer groups, processors, retailers and consumers and to give me, as soon as possible, their expert advice on the development of a long-term policy," Mr. Wise said.

All those wishing to make known their views on dairy policy are invited to contact the advisory group c/o Everett Biggs Associates, 21 Queen St. E., Suite 301, Brampton, Ont. L6W 3P1, (416) 453-2460.

"This open consultation process will enable the government to put a long-term dairy policy in place that will ensure a stable and progressive Canadian dairy industry," Mr. Wise said.

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For more information, media may contact:

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Canadian Dairy Commission
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For Immediate Release

11/NW, NX

DAIRY INDUSTRY GIVES MILK TO MEXICO

OTTAWA, October 11, 1985 -- Agriculture Minister John Wise today expressed his deep appreciation to members of the Canadian dairy industry for their gift of evaporated milk to earthquake-stricken Mexico.

"I commend the dairy farmers and milk processors of Canada and their associates for their generosity and compassion toward the unfortunate victims of this disaster," Mr. Wise said.

This gift, valued at $500,000, was initiated and co-ordinated by the Canadian Dairy Commission. Seventeen thousand cases of the Commission's "Canada Best" brand of evaporated milk are expected to leave the country next week. Each case contains 96 170-gram cans of milk.

"Mexicans have been drinking our milk for many years and our relationship has always been exceptional," said Jacques Boucher, president of the Dairy Farmers of Canada, whose donation of milk is worth about $430,000.

"We want to express our great concern and we hope this gift assists them during their present difficulties."

Other organizations and companies in the dairy industry have also contributed to this effort. The National Dairy Council, representing the milk processors of Canada, has pledged $25,000.

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Three Quebec companies have donated their services. Imprimerie Boucherville printed the labels for the cans of milk. Chassé Inc. will supply the shipping pallets and Quebec Stevedoring will load the rail cars.

Free rail transport is being provided through Canada and the U.S. by Canadian Pacific, Norfolk and Western, and the Missouri Line.

This is the second donation by Canadian dairy farmers to a needy nation in less than a year. In December 1984, dairy farmers donated $290,000's worth of evaporated milk to help relieve starvation in Ethiopia.

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For more information, media may contact:

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For Immediate Release

DAIRY RETURNS AND SUPPORT PRICES INCREASED

OTTAWA, July 29, 1986 -- Agriculture Minister John Wise today announced increases in dairy producer and processor returns and support prices effective August 1, the beginning of the 1986-87 dairy year.

The target returns for industrial milk producers as calculated by the federal returns adjustment formula will rise 1.4 per cent, from $45.68 to $46.30 per hectolitre (based on 3.6 kilograms of butterfat per hectolitre). In addition, an amount of 18 cents per hectolitre will be added for the 1986-87 dairy year to assist in financing the carrying charges associated with the marketing of butter required to meet domestic demand. The federal government ceased to assume these carrying charges as of March 31, 1986.

The support price for butter is being increased from the current $4.929 per kilogram to $5.035. The new skim milk powder support price will be $2.978 per kilogram, up from the current level of $2.922.

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These are the prices at which the Canadian Dairy Commission offers to purchase domestically produced butter and skim milk powder. In effect, they act as floor prices in the wholesale trade of these two products. The assumed processors' margin increases from $5.72 per hectolitre to $5.84.

"The changes I am announcing today will ensure continued stability in the Canadian dairy industry," Mr. Wise said.

"The adjustments in butter and skim milk powder prices are the first since August 16, 1985, and represent an increase of only about two per cent."

Today's announcement has no direct impact on the price of fluid milk, since its pricing is a provincial responsibility.

The Agriculture Minister noted that a review of the pricing mechanisms used to set the prices paid to farmers for industrial milk and cream and to determine appropriate processor margins is under way.

"I am continuing to consult with dairy farmers, processors, consumers and other interested parties and will announce the Government's decision on this pricing system later in the dairy year.

"In the meantime, the existing pricing mechanisms show that costs in the industry have risen since last summer and modest increases are necessary," Mr. Wise said.

As indicated in the federal government's long-term dairy policy announcement in January, a subsidy of $6.03 per hectolitre will continue to be paid on milk containing 3.6 kilograms of butterfat per hectolitre produced for domestic requirements and on 1.1 million hectolitres of production for the special export program. This payment, made through the Canadian Dairy Commission, ensures a reasonable return to dairy farmers and moderates prices Canadian consumers pay for manufactured dairy products.

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Earlier this month, the Canadian Milk Supply Management Committee set the national market sharing quota level for the 1986-87 dairy year at 46.6 million hectolitres, unchanged from last year.

With the beginning of the new dairy year on August 1, 1986, as agreed by the Canadian Milk Supply Management Committee, the provincial levy responsibility will be as follows: in-quota levy -- $5.13 per hectolitre; special export program levy -- $30.52 per hectolitre; and over-quota levy -- $38 per hectolitre on milk and $4 per kilogram of butterfat on cream production. These levy rates are subject to review in January 1987.

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For more information, media may contact:

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Media Assistant
Mr. Wise's Office
Ottawa
(613) 995-9133

or

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NO CHANGE TO TARGET RETURNS FOR PRODUCERS AND PROCESSORS

OTTAWA, July 30, 1992 -- The Canadian Dairy Commission today announced that the target price for industrial milk and the support price for skim milk powder will remain unchanged for the beginning of the new dairy year.

On August 1, 1992, the target return to producers for industrial milk will be maintained at $49.76 per hectolitre of milk containing 3.6 kilograms of butterfat. The support price for skim milk powder will stay at $3.304 a kilogram, and the processor margin at $7.52 per hectolitre.

To the target return of $49.76 per hectolitre is added $0.02 as a processor contribution to a rebate fund for food manufacturers using dairy ingredients, and $0.08 to cover the carrying charges associated with normal stocks of butter for the domestic market, to arrive at a final target price of $49.86 per hectolitre.

The butter carrying charges, which are collected from the marketplace and levied back from producers, were reduced from $0.14 to $0.08 per hectolitre. At its July meeting, the Canadian Milk Supply Management Committee recognized that less butter is required in Canadian Dairy Commission stocks to meet domestic demand. This, along with lower interest rates, has resulted in the overall drop in costs, which are reflected in a decrease to the support price for butter from $5.331 to $5.317 per kilogram.

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The Canadian Dairy Commission sets the target price for industrial milk and the support prices for butter and skim milk powder, after receiving advice from its Consultative Committee. This Committee, which represents milk producers, processors, further processors and consumers, reviews data and makes a recommendation to the Commission.

The target price for industrial milk is based on actual surveyed costs of production and provides a return for producer labour and investment. These costs showed a slight decrease, as did the calculated processor margin. The Commission felt the decreases did not warrant lower target returns, especially in light of the fact that, on August 1, 1991, an increase in the target price and the processor margin was capped below the level indicated by cost data.

The cost of production mechanism is currently under review by the Consultative Committee. Until changes are in place, the Commission will rely on the historical approach used since 1988. This mechanism allows for adjustments, if data available in the future were to indicate a different price level.

Industrial milk is used in the manufacture of dairy products such as butter, cheese, yogurt, ice cream and skim milk powder.

Support prices are the prices at which the Canadian Dairy Commission offers to purchase domestically produced butter and skim milk powder. They act as floor prices in the wholesale trade of these two products.

- 30 -

For more information, please contact:

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MODERATE INCREASE IN RETURNS FOR DAIRY FARMERS AND PROCESSORS

OTTAWA, July 29, 1993 -- The Canadian Dairy Commission today announced a 1-percent increase to the target return for industrial milk, and to the processor margin. The entire weight of these increases is placed on the support price for skim milk powder. In addition, the Commission will be shifting the relative weights of the support prices, away from butter and onto skim milk powder.

Effective August 1, 1993, the support price for butter will decrease from $5.363 to $5.324 per kilogram, and the support price for skim milk powder will rise from $3.339 to $3.498 a kilogram.

"This decision is fair to the industry and to consumers," said Roch Morin, Chairman of the Commission. "It is intended to offset increased costs producers and processors have faced, but not at the expense of growth in the market."

The target return to producers is increased from $50.26 to $50.76 per hectolitre of milk containing 3.6 kilograms of butterfat, and the processor margin rises to $7.60 per hectolitre.

To the target return of $50.76, a charge of $0.08 is added to cover administrative costs related to the Commission's domestic marketing activities, and to cover costs associated with the normal stocks of butter held by the Commission to ensure domestic demand is met. This amount remains unchanged and is reflected in the support price for butter. It is collected from producers through levies.

The return to producers is achieved through the market return for dairy products, and through a direct support payment to producers (the federal dairy subsidy). Expenditure restraint has meant a reduction in the rate of the subsidy, effective August 1,

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from $1.675 to $1.508 per kilogram of butterfat ($6.03 to $5.43 per hectolitre).

In order to fully support the target price, the subsidy reduction is offset by an increase in the support price of skim milk powder. This effectively increases the portion of producer income that comes from non-fat solids in milk, which is consistent with market trends.

This means that producers shipping farm-separated cream will see a reduction in their income. The Commission has previously refrained from shifting weight away from the butter support price because cream producers needed more time to adapt to changes in market conditions. Many provinces have since made progress in implementing policies to favour the integration of cream producers as milk shippers, and the Commission feels the time has come to pass the appropriate market signal to producers.

The Commission opted for a moderate increase of 1 percent, 0.6 percent below the current rate of inflation, because the market for dairy products is sensitive to price, and it was felt necessary to prevent future cutbacks in production.

In making its decision, the Commission considered the advice of its Consultative Committee -- representing producers processors, ingredient users and consumers -- which had recommended a greater increase to producers and processors.

The Commission will act, on a priority basis, on another recommendation of the Committee -- to include competitive benchmarks within the cost of production methodology used in pricing decisions.

Programs administered by the Commission, that offer price incentives to specific sectors, have been successful in stimulating demand for dairy products. This has meant that the Canadian Milk Supply Management Committee, the federal-provincial body that oversees milk marketing in Canada, was able this week to increase marketing quotas for industrial milk production by 2 percent, the first increase in the national Market Sharing Quota since 1988.

Industrial milk is used to make dairy products such as butter, cheese, yogurt, ice cream, and skim milk powder.

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Support prices are the prices at which the Canadian Dairy Commission offers to purchase domestically produced butter and skim milk powder. They act as floor prices in the wholesale trade of these two products, and indirectly affect the wholesale prices of all dairy products.

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For further information, please contact:

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NO CHANGE IN DAIRY TARGET AND SUPPORT PRICES

OTTAWA, January 31, 1995 -- The Canadian Dairy Commission today announced that there will be no change to the target price for industrial milk. The support prices for butter and skim milk powder will also remain unchanged.

In setting the target and support prices, the Commission considers a number of factors, including the cost of producing industrial milk with the use of data collected in four provincial farm surveys. In addition, for February 1, these data did not meet the 2 percent change guideline to trigger a price adjustment.

The target return for producers will remain at $52.28 per hectolitre of milk containing 3.6 kilograms of butterfat, and the margin for processors that is incorporated into the support prices will stay at $7.83 per hectolitre. Also unchanged are the support prices for butter, at $5.324 per kilogram, and for skim milk powder, at $3.708 per kilogram.

A charge of $0.12 per hectolitre is added to the producers' target return to cover the Commission's administrative costs related to domestic marketing activities, and its costs associated with the normal stocks of butter it holds to ensure domestic demand is met. This charge is reflected in the support price for butter, and it is collected through levies.

The Commission sets the target price for industrial milk and the support prices for butter and skim milk powder twice a year -- August 1, the start of the dairy year, and February 1 -- after consultation with producers, processors, dairy ingredient users and consumers.

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